

MORRISON & FOERSTER LLP
1290 Avenue of the Americas
New York, New York 10104
Telephone: (212) 468-8000
Facsimile: (212) 468-7900
Todd S. Goren
Lorenzo Marinuzzi
Samantha Martin

*Counsel for the Debtors and
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----)	
In re:)	Case No. 12-12020 (MG)
)	
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,)	Chapter 11
)	
Debtors.)	Jointly Administered
-----)	

**DEBTORS' OMNIBUS REPLY TO RESPONSES TO THE DEBTORS' MOTION
PURSUANT TO 11 U.S.C. §§ 105, 363 AND 365 TO (A) ESTABLISH PROCEDURES
FOR THE SALE OR DISPOSAL OF *DE MINIMIS* ASSETS; AND (B) AUTHORIZE
THE DEBTORS TO (I) PAY RELATED FEES AND EXPENSES AND (II) ASSUME,
ASSIGN, OR REJECT RELATED EXECUTORY CONTRACTS AND
UNEXPIRED LEASES**

TO THE HONORABLE MARTIN GLENN
UNITED STATES BANKRUPTCY JUDGE:

The debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”)¹ submit this reply (the “Reply”) to several informal responses to the *Debtors’ Motion Pursuant to 11 U.S.C. §§ 105, 363 and 365 to (A) Establish Procedures for the Sale or Disposal of De Minimis Assets; and (B) Authorize the Debtors to (I) Pay Related Fees and Expenses and (II) Assume, Assign or Reject Related Executory Contracts and Unexpired Leases* [Docket No. 1094] (the “Motion”)² and to Wendy Alison Nora’s *Statement on Proposed Order Granting Debtors’ Motion for Sale of Mortgage Loans as “DeMinimus Sales” Under 11 USC Sec. 363* [Dkt. No. 303] (the “Nora Statement”). In support of the Reply, the Debtors rely upon, and incorporate by reference, the declaration of William Tyson in support of the Motion [Docket No. 1094]. In further support of the Reply, the Debtors, by and through their undersigned counsel, respectfully represent:

A. Reply to the Nora Statement

1. Ms. Nora has no objection to the Debtors’ request to sell mortgage loans under the *De Minimis* Sale Procedures, but she demands notice of any attempt to sell her home pursuant to the *De Minimis* Sale Procedures.

2. The Debtors typically sell real estate owned property in the ordinary course of business³ and currently do not intend to sell any real estate owned property pursuant to the *De*

¹ The names of the Debtors in these cases and their respective tax identification numbers are identified on Exhibit 1 to the Whitlinger Affidavit (defined below).

² Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Motion.

³ This Court has authorized the Debtors’ sale activities for real estate owned property in the *Final Order Under Sections 105(a), 362, 363, 1107(a) and 1108 of the Bankruptcy Code (I) Authorizing the Debtors to Continue in the Ordinary Course of Business (A) Servicing Non-Governmental Association Loans, and (B) Sale Activities Related to Certain Loans in Foreclosure and Real Estate Owned Property, and (II) Granting Limited Stay* (cont’d)

Minimis Sale Procedures. However, to the extent the Debtors seek to utilize the *De Minimis* Sale Procedures to sell Ms. Nora's property, the Debtors will provide Ms. Nora with notice in accordance with the *De Minimis* Sale Procedures.

B. Reply to Various Informal Responses

3. Prior to filing the Motion, the Debtors negotiated the terms of the *De Minimis* Sale Procedures with various parties in interest. Notwithstanding these negotiations, the Debtors received several informal requests for modifications to the order, which have been resolved in the revised proposed order, a copy of which is annexed hereto as Exhibit 1.

Accordingly, for the reasons set forth herein, the Debtors respectfully request that the Court overrule the Nora Statement and grant such other and further relief as it deems just and proper.

Dated: August 27, 2012
New York, New York

/s/ Lorenzo Marinuzzi
Todd M. Goren
Lorenzo Marinuzzi
Samantha Martin
MORRISON & FOERSTER LLP
1290 Avenue of the Americas
New York, New York 10104
Telephone: (212) 468-8000
Facsimile: (212) 468-7900

*Counsel for the Debtors and
Debtors in Possession*

(cont'd from previous page)

Relief to Enable Borrowers to Assert Direct Claims and Related Counter-Claims in Foreclosure and Eviction Proceedings [Docket No. 402].